

INVESTMENT ADVISER

CAPITAL GROWTH MANAGEMENT
LIMITED PARTNERSHIP
Boston, Massachusetts 02110

**TRANSFER AND DIVIDEND PAYING
AGENT AND CUSTODIAN OF ASSETS**

STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

**SHAREHOLDER SERVICING AGENT
FOR STATE STREET BANK AND
TRUST COMPANY**

BOSTON FINANCIAL DATA SERVICES, INC.
P.O. Box 8511
Boston, Massachusetts 02266-8511

**CGM
Focus Fund**

46th Quarterly Report
March 31, 2009

A No-Load Fund



Investment Adviser
Capital Growth Management
Limited Partnership

To Our Shareholders:

CGM Focus Fund declined –16.7% during the first quarter of 2009 compared to the unmanaged Standard & Poor's 500 Index which fell –11.0% over the same period.

Economic activity during the first quarter of 2009 was nothing short of disastrous. The three-month period ranks as one of the worst in 80 years and, in some respects, since records have been kept.

Early in the new year, housing starts for December were reported at a seasonally adjusted annual rate of 550,000, approximately one-half the number of just one year earlier and the slowest month on record since monthly records began in 1959. The U.S. economy lost 655,000 jobs in January and 650,000 in February ratcheting the unemployment rate up to 8.1% and probably heading higher. Adding insult to injury, the government revised downward the fourth quarter 2008 percentage change in Gross Domestic Product from –3.8% to –6.3%, one of the steepest declines since the 1982 recession.

On February 17, President Obama signed into law the \$787 billion American Recovery and Reinvestment Act (stimulus bill) and an unimpressed stock market greeted the news with a 4.6% plummet in the S&P 500 Index that same day. By the end of that week, the S&P 500 Index had plunged a total of 6.9% on rumors that some large banks would be nationalized. On February 26, General Motors reported losses of \$9.6 billion for the fourth quarter and \$30.9 billion for all of 2008 raising concerns about viability once again (and setting the stage for President

Obama's subsequent ouster of GM's chairman at the end of March and acceleration of restructuring plans for both GM and Chrysler). On February 27, General Electric slashed its dividend by 68%, its first cut since 1939. Nine weeks into the new year, corporate dividend reductions mounted to \$40.7 billion, exceeding total figures for all of 2008.

On March 9, the S&P 500 Index closed at a twelve-year low of 676.53, down 25% for the new year and off 57% since its October 2007 high. The next day, after Citigroup

surprised the market by reporting profitable operating income for the first two months of 2009 and an unexpected increase in February housing starts was announced, the market posted its best rally of 2009. On March 18, the Federal Reserve Board announced it would maintain a target federal funds rate and also, would purchase up to \$1.1 trillion of government bonds and mortgage-backed securities. Though the equity market yawned at the Fed's announcement, bond prices spiked immediately and Treasury yields on 10-year Treasuries fell 16.9% from 3.01% to 2.49% by the end of the day. One year ago, the 10-year Treasury bond was 3.52%; two years ago it was 4.58%; and at quarter end, after a gigantic rally in late 2008, it was 2.69%.

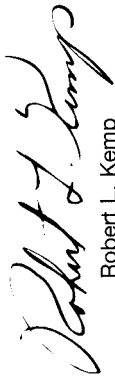
As mentioned, the trillion dollar bond deal introduced by the Fed in mid-March had little immediate effect on the stock market, eclipsed, as it turned out, by new information in bonuses promised to American International Group executives and employees. On March 19, the U.S. House of Representatives went wild and passed a bill to impose a 90% tax on these bonuses as well as on executive salaries. The bill would also require companies to disclose bonuses due to top earners at all large TARP-recipient companies. A few days later, cooler heads prevailed and the bill was amended. Many members of Congress acknowledged such a move would be counterproductive to the TARP program. On March 23, details emerged on the government's plan to address toxic bank assets and the market rose to close higher in one day.

Other indicators offer a glimmer of hope at the end of the first quarter. Thanks probably to announcement of a new program, Fed's plan to buy up mortgage-backed securities ended March 20—the lowest rate since the Mortgage Bankers Association began keeping track. New sales of new homes recorded a modest increase in February for the first time in seven months and new orders for durable goods rose for the first time since last July. The market recovered from recent lows and the S&P 500 has risen 18% since March 9.

This report has been prepared for the shareholders of the Fund and is not authorized for distribution to current or prospective investors in the Fund unless it is accompanied or preceded by a prospectus.

CGM FOCUS FUND

CGM Fund held significant long positions in the center bank, retail and drug industries on 1, 2009. The Fund's three largest holdings were Stanley, Amazon.com, Inc., and the group, Inc.


Robert L. Kemp
President

2009

INVESTMENT PERFORMANCE

(unaudited)

Total Return for Periods Ended March 31, 2009

	The Fund's Cumulative Total Return	The Fund's Average Annual Total Return
10 Years	+369.5%	+16.7%
5 Years	+19.1	+3.6
1 Year	-53.2	-53.2
3 Months	-16.7	—

The performance data contained in this report represent past performance, which is no guarantee of future results. The table above does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares and assumes the reinvestment of all Fund distributions. The investment return and principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

The adviser limited the Fund's total operating expenses to 1.20% of its average net assets exclusive of any dividend expense incurred on short sales through December 31, 2001. Otherwise, the Fund's cumulative total return and average annual total return for the ten year period would have been lower.

CGM FOCUS FUND

INVESTMENTS as of March 31, 2009

(unaudited)

COMMON STOCKS — 99.1% OF TOTAL NET ASSETS

	Shares	Value (a)
Banks — Money Center — 23.7%		
JPMorgan Chase & Co.	5,300,000	\$ 140,874,000
Morgan Stanley	10,700,000	243,639,000
Northern Trust Corporation	1,300,000	77,766,000
The Goldman Sachs Group, Inc.	1,765,000	187,125,300
The PNC Financial Services Group, Inc.	4,100,000	120,089,000
		<u>769,493,300</u>
Beverages and Tobacco — 1.3%		
Philip Morris International Inc.	1,150,000	40,917,000
Biotechnology — 7.4%		
Celgene Corporation (b)	2,300,000	102,120,000
Gilead Sciences, Inc. (b)	2,950,000	136,644,000
		<u>238,764,000</u>
Consumer Staples — 5.2%		
CVS Caremark Corporation	6,180,000	169,888,200
Drugs — 10.9%		
Abbott Laboratories (c)	3,500,000	166,950,000
Teva Pharmaceutical Industries Limited ADR (d)	4,110,000	185,155,500
		<u>352,105,500</u>
Education — 7.1%		
Apollo Group, Inc. (b)(c)	2,950,000	231,073,500
Hospital Supply — 4.3%		
Baxter International Inc.	2,700,000	138,294,000
Insurance — 4.5%		
MetLife, Inc.	6,450,000	146,866,500
Oil — Independent Production — 8.1%		
Cnooc Limited ADR (d)	850,000	85,510,000
Petróleo Brasileiro S.A. — Petrobras ADR (d)	5,840,000	177,944,800
		<u>263,454,800</u>
Railroad — 0.7%		
Union Pacific Corporation	550,000	22,610,500

CGM FOCUS FUND

INVESTMENTS as of March 31, 2009 (continued)

(unaudited)

COMMON STOCKS (continued)

Retail — 22.9%

	Shares	Value (a)
Amazon.com, Inc. (b)	3,280,000	\$ 240,883,200
Best Buy Co., Inc.	5,301,500	201,244,940
Kohl's Corporation (b)	2,400,000	101,568,000
Wal-Mart Stores, Inc.	3,800,000	197,980,000

Technology — 3.0%

Corning Incorporated	7,300,000	96,871,000
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TOTAL COMMON STOCKS (Identified cost \$3,055,129,767)

	3,212,014,440
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SHORT-TERM INVESTMENT — 0.3% OF TOTAL NET ASSETS

	Face Amount	
American Express Credit Corporation, 0.10%, 04/01/09 (Cost, \$8,675,000) ...	\$8,675,000	8,675,000

TOTAL INVESTMENTS — 99.4% (Identified cost \$3,063,804,767) (e)

Cash and receivables	3,220,689,440
Liabilities	212,161,748
	(191,383,037)

TOTAL NET ASSETS — 100.0%	\$3,221,468,151
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(a) Security valuation — Equity securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board of Trustees. Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. For securities with no sales reported, the last reported bid price is used for long positions and the last reported ask price for short positions. Short-term investments have a maturity of sixty days or less, are stated at amortized cost, which approximates value. Other assets and securities which are not readily marketable will be valued in good faith at fair value using methods determined by the Board of Trustees.

(b) Non-income producing security.

(c) A portion of this security has been segregated as collateral in connection with short sale investments. The market value of securities held in a segregated account at March 31, 2009 was \$252,060,000 and the value of cash held in a segregated account was \$0. At March 31, 2009, there were no short positions open.

(d) An American Depositary Receipt (ADR) is a certificate issued by a U.S. bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States or Canada.

(e) Federal Tax Information: At March 31, 2009, the net unrealized depreciation on investments based on cost of \$3,354,998,431 for Federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost	...	\$192,400,396
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	...	(326,709,387)
		<u>\$ (134,308,991)</u>

The cost basis and unrealized appreciation/ (depreciation) for the schedule of investments and tax purposes differ due to differing treatments of wash sale losses deferred.

CGM FOCUS FUND

INVESTMENTS as of March 31, 2009 (continued)

(unaudited)

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. (FAS 157) "Fair Value Measurements", effective for fiscal years beginning after November 15, 2007. The Fund adopted the provisions of FAS 157 on January 1, 2008. FAS 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements.

In accordance with FAS 157, the Fund may use valuation techniques consistent with the market, income, and cost approach measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts (cash flows) to a single present amount. The cost approach is based on the amount that currently would be required to replace the capacity of an asset. To increase consistency and comparability in fair value measurements and related disclosure, the Fund's fair value hierarchy which prioritizes the various inputs to valuation techniques used to measure fair value into three broad levels.

- Level 1 — Prices determined using: quoted prices in active markets for identical securities
- Level 2 — Prices determined using: other significant observable inputs (including quoted prices for similar securities, interest rate swap contracts, credit risk, etc.)
- Level 3 — Prices determined using: significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's management's assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in securities. The following is a summary of the inputs used to value CGM Focus Fund's investments and securities sold short at March 31, 2009:

Valuation Inputs	Assets — Investments in Securities	Liabilities — Sold Short	Other Financial Instruments
Level 1 – Quoted Prices	\$3,212,014,440	none	N/A
Level 2 – Other Significant Observable Inputs	8,675,000	none	N/A
Level 3 – Significant Unobservable Inputs	none	none	N/A
Total	<u>\$3,220,689,440</u>	<u>none</u>	<u>N/A</u>

When current market prices or quotations are not readily available or do not accurately reflect fair value, valuations may be determined in accordance with procedures adopted by the Board of Trustees. For example, when developments occur between the close of the market and the close of the NYSE that may materially affect the value of some or all the securities, or when trading in a security is halted, these procedures may be used. The frequency with which these procedures are used is unpredictable. These valuation procedures may result in a change to a particular security's assigned level within the fair value hierarchy described above. The value of securities used for NAV calculation under these procedures may differ from published prices for the same securities.

CGM FOCUS FUND

TELEPHONE NUMBERS

For information about:

- Account Procedures and Status
- Redemptions
- Exchanges
- New Account Procedures
- Prospectuses
- Performance
- Proxy Voting Policies and Voting Records
- Complete Schedule of Portfolio Holdings for the 1st and 3rd Quarters (as filed on Form N-Q)

Call 800-343-5678

Call 800-345-4048

Proxy voting policies also appear in the Fund's Statement of Additional Information, which can be found on the SEC's website, <http://www.sec.gov>. The voting records can also be found on the SEC's website on the Fund's Form N-PX filing.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

MAILING ADDRESS

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WEBSITE

<http://www.cgmfunds.com>